



Sen. John J. Cullerton

Filed: 3/14/2006

09400SB2310sam003

LRB094 16851 LCT 57216 a

1 AMENDMENT TO SENATE BILL 2310

2 AMENDMENT NO. _____. Amend Senate Bill 2310, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Consumer Fraud and Deceptive Business
6 Practices Act is amended by changing Section 2MM as follows:

7 (815 ILCS 505/2MM)

8 Sec. 2MM. Verification of accuracy of consumer credit
9 reporting information used to extend consumers credit and
10 security freeze on credit reports ~~report for identity theft~~
11 ~~victims~~.

12 (a) A credit card issuer who mails an offer or solicitation
13 to apply for a credit card and who receives a completed
14 application in response to the offer or solicitation which
15 lists an address that is not substantially the same as the
16 address on the offer or solicitation may not issue a credit
17 card based on that application until reasonable steps have been
18 taken to verify the applicant's change of address.

19 (b) Any person who uses a consumer credit report in
20 connection with the approval of credit based on the application
21 for an extension of credit, and who has received notification
22 of a police report filed with a consumer reporting agency that
23 the applicant has been a victim of financial identity theft, as
24 defined in Section 16G-15 of the Criminal Code of 1961, may not

1 lend money or extend credit without taking reasonable steps to
2 verify the consumer's identity and confirm that the application
3 for an extension of credit is not the result of financial
4 identity theft.

5 (c) A consumer may request that a security freeze be placed
6 on his or her credit report by sending a request in writing by
7 certified mail to a consumer reporting agency at an address
8 designated by the consumer reporting agency to receive such
9 requests. This subsection (c) does not prevent a consumer
10 reporting agency from advising a third party that a security
11 freeze is in effect with respect to the consumer's credit
12 report. ~~A consumer who has been the victim of identity theft~~
13 ~~may place a security freeze on his or her credit report by~~
14 ~~making a request in writing by certified mail to a consumer~~
15 ~~credit reporting agency with a valid copy of a police report,~~
16 ~~investigative report, or complaint that the consumer has filed~~
17 ~~with a law enforcement agency about unlawful use of his or her~~
18 ~~personal information by another person. A credit reporting~~
19 ~~agency shall not charge a fee for placing, removing, or~~
20 ~~removing for a specific party or period of time a security~~
21 ~~freeze on a credit report. A security freeze shall prohibit,~~
22 ~~subject to the exceptions under subsection (i) of this Section,~~
23 ~~the credit reporting agency from releasing the consumer's~~
24 ~~credit report or any information from it without the express~~
25 ~~authorization of the consumer. When a security freeze is in~~
26 ~~place, information from a consumer's credit report shall not be~~
27 ~~released to a third party without prior express authorization~~
28 ~~from the consumer. This subsection does not prevent a credit~~
29 ~~reporting agency from advising a third party that a security~~
30 ~~freeze is in effect with respect to the consumer's credit~~
31 ~~report.~~

32 (d) A consumer ~~credit~~ reporting agency shall place a
33 security freeze on a consumer's credit report no later than 5
34 business days after receiving a written request from the

1 consumer: ~~-~~

2 (1) a written request described in subsection (c);

3 (2) proper identification; and

4 (3) payment of a fee, if applicable.

5 (e) Upon placing the security freeze on the consumer's
6 credit report, the consumer ~~The credit~~ reporting agency shall
7 send to the consumer within 10 business days a written
8 confirmation of the placement of the security freeze and ~~to the~~
9 ~~consumer within 10 business days and shall provide the consumer~~
10 ~~with~~ a unique personal identification number or password or
11 similar device, other than the consumer's Social Security
12 number, to be used by the consumer when providing authorization
13 for the release of his or her credit report for a specific
14 party or period of time.

15 (f) If the consumer wishes to allow his or her credit
16 report to be accessed for a specific party or period of time
17 while a freeze is in place, he or she shall contact the
18 consumer ~~credit~~ reporting agency using a point of contact
19 designated by the consumer reporting agency, request that the
20 freeze be temporarily lifted, and provide the following:

21 (1) Proper identification;

22 (2) The unique personal identification number or
23 password or similar device provided by the consumer ~~credit~~
24 reporting agency; ~~and~~

25 (3) The proper information regarding the third party or
26 time period for which the report shall be available to
27 users of the credit report; and ~~-~~

28 (4) A fee, if applicable.

29 (g) A consumer ~~credit~~ reporting agency shall ~~may~~ develop a
30 contact method ~~procedures involving the use of telephone, fax,~~
31 ~~the Internet, or other electronic media~~ to receive and process
32 a request from a consumer to temporarily lift a freeze on a
33 credit report pursuant to subsection (f) in an expedited
34 manner.

1 A contact method under this subsection shall include: (i) a
2 postal address; and (ii) an electronic contact method chosen by
3 the consumer reporting agency, which may include the use of
4 telephone, fax, Internet, or other electronic means.

5 (h) A consumer ~~credit~~ reporting agency that receives a
6 request from a consumer to temporarily lift a freeze on a
7 credit report pursuant to subsection (f), shall comply with the
8 request no later than 3 business days after receiving the
9 request.

10 (i) A consumer ~~credit~~ reporting agency shall remove or
11 temporarily lift a freeze placed on a consumer's credit report
12 only in the following cases:

13 (1) upon consumer request, pursuant to subsection (f)
14 or subsection (l) of this Section; or

15 (2) if the consumer's credit report was frozen due to a
16 material misrepresentation of fact by the consumer.

17 If a consumer ~~credit~~ reporting agency intends to remove a
18 freeze upon a consumer's credit report pursuant to this
19 subsection, the consumer ~~credit~~ reporting agency shall notify
20 the consumer in writing prior to removing the freeze on the
21 consumer's credit report.

22 (j) If a third party requests access to a credit report on
23 which a security freeze is in effect, and this request is in
24 connection with an application for credit or any other use, and
25 the consumer does not allow his or her credit report to be
26 accessed for that specific party or period of time, the third
27 party may treat the application as incomplete.

28 (k) If a consumer requests a security freeze, the credit
29 reporting agency shall disclose to the consumer the process of
30 placing and temporarily lifting a security freeze, and the
31 process for allowing access to information from the consumer's
32 credit report for a specific party or period of time while the
33 freeze is in place.

34 (l) A security freeze shall remain in place until the

1 consumer requests, using a point of contact designated by the
2 consumer reporting agency, that the security freeze be removed.
3 A credit reporting agency shall remove a security freeze within
4 3 business days of receiving a request for removal from the
5 consumer, who provides ~~both of the following:~~

6 (1) Proper identification; ~~and~~

7 (2) The unique personal identification number or
8 password or similar device provided by the consumer ~~credit~~
9 reporting agency; ~~and~~ -

10 (3) A fee, if applicable.

11 (m) A consumer ~~credit~~ reporting agency shall require proper
12 identification of the person making a request to place or
13 remove a security freeze.

14 (n) The provisions of subsections (c) through (m) of this
15 Section do not apply to the use of a consumer credit report by
16 any of the following:

17 (1) A person or entity, or a subsidiary, affiliate, or
18 agent of that person or entity, or an assignee of a
19 financial obligation owing by the consumer to that person
20 or entity, or a prospective assignee of a financial
21 obligation owing by the consumer to that person or entity
22 in conjunction with the proposed purchase of the financial
23 obligation, with which the consumer has or had prior to
24 assignment an account or contract, including a demand
25 deposit account, or to whom the consumer issued a
26 negotiable instrument, for the purposes of reviewing the
27 account or collecting the financial obligation owing for
28 the account, contract, or negotiable instrument. For
29 purposes of this subsection, "reviewing the account"
30 includes activities related to account maintenance,
31 monitoring, credit line increases, and account upgrades
32 and enhancements.

33 (2) A subsidiary, affiliate, agent, assignee, or
34 prospective assignee of a person to whom access has been

1 granted under subsection (f) of this Section for purposes
2 of facilitating the extension of credit or other
3 permissible use.

4 (3) Any state or local agency, law enforcement agency,
5 trial court, or private collection agency acting pursuant
6 to a court order, warrant, or subpoena.

7 (4) A child support agency acting pursuant to Title
8 IV-D of the Social Security Act.

9 (5) The State ~~relevant state agency~~ or its agents or
10 assigns acting to investigate ~~Medicaid~~ fraud.

11 (6) The Department of Revenue or its agents or assigns
12 acting to investigate or collect delinquent taxes or unpaid
13 court orders or to fulfill any of its other statutory
14 responsibilities.

15 (7) The use of credit information for the purposes of
16 prescreening as provided for by the federal Fair Credit
17 Reporting Act.

18 (8) Any person or entity administering a credit file
19 monitoring subscription or similar service to which the
20 consumer has subscribed.

21 (9) Any person or entity for the purpose of providing a
22 consumer with a copy of his or her credit report or score
23 upon the consumer's request.

24 (10) Any person using the information in connection
25 with the underwriting of insurance.

26 (n-5) This Section does not prevent a consumer reporting
27 agency from charging a fee of no more than \$10 to a consumer
28 for each freeze, removal, or temporary lift of the freeze,
29 regarding access to a consumer credit report, except that a
30 consumer reporting agency may not charge a fee to (i) a
31 consumer 65 years of age or over for placement and removal of a
32 freeze, or (ii) a victim of identity theft who has submitted to
33 the consumer reporting agency a valid copy of a police report,
34 investigative report, or complaint that the consumer has filed

1 with a law enforcement agency about unlawful use of his or her
2 personal information by another person.

3 (o) If a security freeze is in place, a consumer credit
4 reporting agency shall not change any of the following official
5 information in a credit report without sending a written
6 confirmation of the change to the consumer within 30 days of
7 the change being posted to the consumer's file: (i) name, (ii)
8 date of birth, (iii) Social Security number, and (iv) address.
9 Written confirmation is not required for technical
10 modifications of a consumer's official information, including
11 name and street abbreviations, complete spellings, or
12 transposition of numbers or letters. In the case of an address
13 change, the written confirmation shall be sent to both the new
14 address and to the former address.

15 (p) The following entities are not required to place a
16 security freeze in a consumer credit report, however, pursuant
17 to paragraph (3) of this subsection, a consumer reporting
18 agency acting as a reseller shall honor any security freeze
19 placed on a consumer credit report by another consumer
20 reporting agency: provided, however, that any person that is
21 not required to place a security freeze on a credit report
22 under paragraph (3) of this subsection, shall be subject to any
23 security freeze placed on a credit report by another credit
24 reporting agency from which it obtains information:

25 (1) A check services or fraud prevention services
26 company, which issues reports on incidents of fraud or
27 authorizations for the purpose of approving or processing
28 negotiable instruments, electronic funds transfers, or
29 similar methods of payment.

30 (2) A deposit account information service company,
31 which issues reports regarding account closures due to
32 fraud, substantial overdrafts, ATM abuse, or similar
33 negative information regarding a consumer to inquiring
34 banks or other financial institutions for use only in

1 reviewing a consumer request for a deposit account at the
2 inquiring bank or financial institution.

3 (3) A consumer ~~credit~~ reporting agency that:

4 (A) acts only to resell credit information by
5 assembling and merging information contained in a
6 database of one or more consumer ~~credit~~ reporting
7 agencies; and

8 (B) does not maintain a permanent database of
9 credit information from which new credit reports are
10 produced.

11 (q) For purposes of this Section:

12 "Credit report" has the same meaning as "consumer report",
13 as ascribed to it in 15 U.S.C. Sec. 1681a(d).

14 "Consumer reporting agency" has the meaning ascribed to it
15 in 15 U.S.C. Sec. 1681a(f).

16 "Security freeze" means a notice placed in a consumer's
17 credit report, at the request of the consumer and subject to
18 certain exceptions, that prohibits the consumer reporting
19 agency from releasing the consumer's credit report or score
20 relating to an extension of credit, without the express
21 authorization of the consumer.

22 "Extension of credit" does not include an increase in an
23 existing open-end credit plan, as defined in Regulation Z of
24 the Federal Reserve System (12 C.F.R. 226.2), or any change to
25 or review of an existing credit account.

26 "Proper identification" means information generally deemed
27 sufficient to identify a person. Only if the consumer is unable
28 to reasonably identify himself or herself with the information
29 described above, may a consumer ~~credit~~ reporting agency require
30 additional information concerning the consumer's employment
31 and personal or family history in order to verify his or her
32 identity.

33 (r) Any person who violates this Section commits an
34 unlawful practice within the meaning of this Act.

1 (Source: P.A. 93-195, eff. 1-1-04; 94-74, eff. 1-1-06.)".